Tax relief for disabled sector

657. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the disabled sector has sought tax relief and concessional import duty on aids/appliances meant for rehabilitation of the handicapped;

(b) if so, whether any memorandum has been submitted to Government by Disabled Rights Group on their behalf; and

(c) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) The Government have received a memorandum from the Disabled Rights Groups seeking customs and excise duty concessions on various aids/appliances for handicapped.

(c) No comments can be furnished in view of the ensuing budget.

Debarring of NBFCs from doing business

658. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Reserve Bank of India has debarred certain Non-Banking Finance Companies from doing business beyond 9th January, 2003 for not meeting the 'Net owned fund' criterion;

(b) if so, whether this action is pursuant to RBI receiving complaints from several depositors on the failure of NBFCs to honour commitments to deposit holders; and

(c) the list of such NBFCs debarred from operating from 9th January, 2003?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) No, Sir. It has been done to meet the statutory obligations caste upon the Reserve Bank of India (RBI).

(c) RBI has reported that as per Section 45-IA of the Reserve Bank of India Act, 1934, Non Banking Finance Companies (NBFCs) existing as on 9.1.1997 and not having a minimum Net Owned Fund (NOF) of Rs. 25 lakh are precluded from functioning as NBFCs unless they have attained the required NOF by 9.1.2000, and advised the Bank within three months thereof, unless specified extension of time (not beyond 9.1.2003) has been granted by the Reserve Bank.The RBI has not granted extension of time to any company not having the requisite NOF to function beyond 9.1.2003 and thus by operation of law, all such companies are precluded from functioning as NBFCs beyond that date. Since the ban was by operation of law, no seaprate list is maintained by RBI of such companies.

Recommendations of Kelkar Task Force on Corporate Tax

659. SHRI A. VIJAYA RAGHAVAN: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether KelkarTask Force has recommended the rate of tax for Corporates be reduced from the existing 36.75 per cent (including surcharge) to 30 per cent for domestic companies, while the tax on foreign companies be reduced from 42 per cent to 35 per cent;

(b) if so, the details thereof including reasons therefor;

(c) whether KelkarTask Force has suggested taxation on agriculture income;

(d) if so, the details thereof;

(f) whether above proposals were accepted by competent authority; and

(f) the action taken/proposed to be taken based on the above proposals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) Task Force on Direct Taxes has recommended that there is a need for integration of corporate tax and personal income tax. The Task Force has recommended full integration of corporation and personal income tax whereby a tax at the corporate level is levied at the same rate as the